

WEIL, GOTSHAL & MANGES LLP
767 Fifth Avenue
New York, New York 10153
Telephone: (212) 310-8000
Facsimile: (212) 310-8007
Richard P. Krasnow

Attorneys for Debtors
and Debtors in Possession

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

-----X
: **Chapter 11 Case No.**
: **08-13555 (JMP)**
: **(Jointly Administered)**
: **Debtors.**
: **LEHMAN BROTHERS HOLDINGS INC., et al.,**
: **In re**
-----X

**NOTICE OF REVISED PROPOSED ORDER
GRANTING APPLICATION OF THE DEBTORS'
PURSUANT TO SECTION 327(a) OF THE BANKRUPTCY CODE
TO RETAIN AND EMPLOY SOTHEBY'S AS ITS AUCTION HOUSE**

PLEASE TAKE NOTICE that attached hereto as Exhibit A is the revised proposed order reflecting modifications to the proposed order requested by the Office of the United States Trustee (the "Revised Proposed Order") granting the application of Lehman Brothers Holdings Inc. and its affiliated debtors in the above-referenced chapter 11 cases (together, the "Debtors"), pursuant to section 327(a) of title 11 of the United States Code with respect to the retention and employment of Sotheby's, Inc. as the Debtors' auction house, dated June 3, 2010 [Docket No. 9405] (the "Application"). Attached hereto as Exhibit B is a blackline of the Revised Proposed Order, marked to reflect the changes made to the proposed order annexed to the Application originally filed with the Court.

PLEASE TAKE FURTHER NOTICE that the undersigned will present the Debtors' Application to the Honorable James M. Peck, United States Bankruptcy Judge, for approval and signature on **June 15, 2010 at 12:00 p.m.** (Prevailing Eastern Time).

PLEASE TAKE FURTHER NOTICE that objections to the Application, if any, shall be in writing, shall conform to the Bankruptcy Rules and the Local Rules of the Bankruptcy Court for the Southern District of New York, shall set forth the name of the objecting party, the basis for the objection and the specific grounds thereof, shall be filed with the Bankruptcy Court electronically in accordance with General Order M-242 (which can be found at www.nysb.uscourts.gov) by registered users of the Bankruptcy Court's case filing system and by

all other parties in interest, on a 3.5 inch disk, preferably in Portable Document Format (PDF), WordPerfect, or any other Windows-based word processing format (with two hard copies delivered directly to Chambers), and shall be served upon: (i) the chambers of the Honorable James M. Peck, One Bowling Green, New York, New York, 10004, Courtroom 601; (ii) Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, New York, 10153, Attn: Richard P. Krasnow, Esq., attorneys for the Debtors; (iii) the Office of the United States Trustee for the Southern District of New York, 33 Whitehall Street, 21st Floor, New York, New York, 10004, Attn: Andy Velez-Rivera, Esq., Paul Schwartzberg, Esq., Brian Masumoto, Esq., Linda Riffkin, Esq., and Tracy Hope Davis, Esq.; (iv) Milbank, Tweed, Hadley & McCloy LLP, 1 Chase Manhattan Plaza, New York, New York, 10005, Attn: Dennis F. Dunne, Esq., Dennis O'Donnell, Esq., and Evan Fleck, Esq., attorneys for the Official Committee of Unsecured Creditors appointed in these cases; and (v) Sotheby's, Inc., 1334 York Ave, New York, 10021, Attn: Susan Nathan, **so as to be so filed and received by no later than June 15, 2010 at 11:00 a.m. (prevailing Eastern Time)** (the "Objection Deadline").

PLEASE TAKE FURTHER NOTICE that only if a written objection is timely filed and served, a hearing will be held on **June 16, 2010 at 10:00 a.m. (Prevailing Eastern Time)** at the United States Bankruptcy Court for the Southern District of New York, Honorable James M. Peck, United States Bankruptcy Judge, One Bowling Green, New York, New York 10004-1408. If an objection is filed the moving and objecting parties are required to attend the hearing, and failure to appear may result in relief being granted or denied upon default.

Dated: June 11, 2010
New York, New York

/s/ Richard P. Krasnow
Richard P. Krasnow

WEIL, GOTSHAL & MANGES LLP
767 Fifth Avenue
New York, New York 10153
Telephone: (212) 310-8000
Facsimile: (212) 310-8007

Attorneys for Debtors
and Debtors in Possession

Exhibit A
(Revised Proposed Order - Clean)

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

-----X	
	:
In re	:
	:
LEHMAN BROTHERS HOLDINGS INC., <i>et al.</i>,	:
	:
Debtors.	:
	:
-----X	

Chapter 11 Case No.
08-13555 (JMP)
(Jointly Administered)

**ORDER GRANTING APPLICATION
OF THE DEBTORS PURSUANT TO SECTION
327(a) OF THE BANKRUPTCY CODE TO RETAIN
AND EMPLOY SOTHEBY'S AS ITS AUCTION HOUSE**

Upon the Application, dated June 3, 2010 (the "Application"),¹ of Lehman Brothers Holdings Inc. ("LBHI") and its affiliated debtors in the above-referenced chapter 11 cases, as debtors and debtors in possession (together, the "Debtors"), pursuant to section 327(a) of chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"), for authority to retain and employ Sotheby's as its auction house, in connection with the public auction of the Collection, as more fully set forth in the Application; and upon consideration of the Affidavit of Richard Buckley, a Executive Vice President at Sotheby's, sworn to June 3, 2010, filed in support of the Application, a copy of which is attached to the Application as Exhibit C (the "Buckley Affidavit"); and the Court being satisfied, based on the representations made in the Application and the Buckley Affidavit, that Sotheby's represents or holds no interest adverse to the Debtors or their estates and is disinterested under section 101(14) of the Bankruptcy Code; and the Court having jurisdiction to consider the Application and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334 and the Standing Order M-61 Referring to Bankruptcy Judges for the Southern District of New York Any and All Proceedings Under Title

¹ Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Application.

11, dated July 10, 1984 (Ward, Acting C.J.); and consideration of the Application and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Application having been provided in accordance with the procedures set forth in both the amended order entered on February 13, 2009 governing case management and administrative procedures for these cases [Docket No. 2837] on (i) the U.S. Trustee; (ii) the attorneys for the Creditors' Committee; (iii) the Securities and Exchange Commission; (iv) the Internal Revenue Service; (v) the United States Attorney for the Southern District of New York; and (vi) Sotheby's; and the Court having found and determined that the relief sought in the Application is in the best interests of the Debtors, their estates and creditors, and all parties in interest and that the legal and factual bases set forth in the Application establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefore, it is

ORDERED that the Application is granted;

ORDERED that, pursuant to section 327(a) of the Bankruptcy Code, the Debtors are authorized to retain and employ Sotheby's as its auction house with respect to the disposition of the Collection, on the terms and conditions set forth in the Agreement; provided, however, that notwithstanding anything contained in said agreement to the contrary, LBHI shall not indemnify Sotheby's to the extent any applicable claim, action, damage, loss, liability or expense arises from Sotheby's bad faith, self-dealing, breach of fiduciary duty (to the extent one exists), negligence, willful misconduct, criminal conduct, or the disclosure of confidential information; and it is further

ORDERED that this Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Order.

Dated: June ___, 2010
New York, New York

UNITED STATES BANKRUPTCY JUDGE

Exhibit B
(Marked Revised Proposed Order)

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

-----X	
In re	: Chapter 11 Case No.
LEHMAN BROTHERS HOLDINGS INC., <i>et al.</i> ,	: 08-13555 (JMP)
Debtors.	: (Jointly Administered)
-----X	

**ORDER GRANTING APPLICATION
OF THE DEBTORS PURSUANT TO SECTION
327(a) OF THE BANKRUPTCY CODE TO RETAIN
AND EMPLOY SOTHEBY'S AS ITS AUCTION HOUSE**

Upon the Application, dated June 3, 2010 (the "Application"),¹ of Lehman Brothers Holdings Inc. ("LBHI") and its affiliated debtors in the above-referenced chapter 11 cases, as debtors and debtors in possession (together, the "Debtors"), pursuant to section 327(a) of chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"), for authority to retain and employ Sotheby's as its auction house, in connection with the public auction of the Collection, as more fully set forth in the Application; and upon consideration of the Affidavit of Richard Buckley, a Executive Vice President at Sotheby's, sworn to June 3, 2010, filed in support of the Application, a copy of which is attached to the Application as Exhibit C (the "Buckley Affidavit"); and the Court being satisfied, based on the representations made in the Application and the Buckley Affidavit, that Sotheby's represents or holds no interest adverse to the Debtors or their estates and is disinterested under section 101(14) of the Bankruptcy Code; and the Court having

¹ Capitalized terms used but not defined herein shall have the meanings ascribed to them in the ~~Motion~~ Application.

jurisdiction to consider the Application and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334 and the Standing Order M-61 Referring to Bankruptcy Judges for the Southern District of New York Any and All Proceedings Under Title 11, dated July 10, 1984 (Ward, Acting C.J.); and consideration of the Application and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Application having been provided in accordance with the procedures set forth in both the amended order entered on February 13, 2009 governing case management and administrative procedures for these cases [Docket No. 2837] on (i) the U.S. Trustee; (ii) the attorneys for the Creditors' Committee; (iii) the Securities and Exchange Commission; (iv) the Internal Revenue Service; (v) the United States Attorney for the Southern District of New York; and (vi) Sotheby's; and the Court having found and determined that the relief sought in the Application is in the best interests of the Debtors, their estates and creditors, and all parties in interest and that the legal and factual bases set forth in the Application establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefore, it is

ORDERED that the Application is granted;

ORDERED that, pursuant to section 327(a) of the Bankruptcy Code, the Debtors are authorized to retain and employ Sotheby's as its auction house with respect to the disposition of the Collection, on the terms and conditions ~~generally described in the Application and~~ set forth in the Agreement; provided, however, that notwithstanding anything contained in said agreement to the contrary, LBHI shall not indemnify Sotheby's to the extent any applicable claim, action, damage, loss, liability or expense

arises from Sotheby's bad faith, self-dealing, breach of fiduciary duty (to the extent one exists), negligence, willful misconduct, criminal conduct, or the disclosure of confidential information; and it is further

ORDERED that this Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Order.

Dated: June ___, 2010
New York, New York

UNITED STATES BANKRUPTCY JUDGE